

QUARTERLY REPORT

LICENSEE ADAMAR OF NEW JERSEY, INC.
TROPICANA CASINO & RESORT

FOR THE QUARTER ENDED MARCH 31, 20⁰³

**TO THE
CASINO CONTROL COMMISSION
STATE OF NEW JERSEY**



**DIVISION OF FINANCIAL EVALUATION
REPORTING MANUAL**

BALANCE SHEETS

AS OF MARCH 31, 2003 AND 2002

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2003 (c)	2002 (d)
	ASSETS		
	Current Assets:		
1	Cash and Cash Equivalents.....	\$ 20,310	\$ 21,696
2	Short-Term Investments.....	0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2003, \$13,591 ; 2002, \$17,577).....	13,572	13,464
4	Inventories.....	3,221	3,335
5	Prepaid Expenses and Other Current Assets.....	12,718	13,138
6	Total Current Assets.....	49,821	51,633
7	Investments, Advances, and Receivables..... (Note 4,5).....	19,516	26,607
8	Property and Equipment - Gross..... (Note 2).....	847,395	763,248
9	Less: Accumulated Depreciation and Amortization..... (Note 2).....	(242,674)	(219,410)
10	Property and Equipment - Net..... (Note 2).....	604,721	543,838
11	Other Assets.....	13,475	11,323
12	Total Assets.....	\$ 687,533	\$ 633,401
	LIABILITIES AND EQUITY		
	Current Liabilities:		
13	Accounts Payable.....	\$ 10,697	\$ 6,995
14	Notes Payable.....	0	0
	Current Portion of Long-Term Debt:		
15	Due to Affiliates.....	0	0
16	Other..... (Note 3).....	131	663
17	Income Taxes Payable and Accrued.....	0	0
18	Other Accrued Expenses.....	23,147	32,242
19	Other Current Liabilities.....	14,633	5,627
20	Total Current Liabilities.....	48,608	45,527
	Long-Term Debt:		
21	Due to Affiliates..... (Note 3,5).....	447,000	447,000
22	Other..... (Note 3).....	165	309
23	Deferred Credits.....	0	0
24	Other Liabilities..... (Note 5).....	57,433	9,313
25	Commitments and Contingencies..... (Note 4).....	0	0
26	Total Liabilities.....	553,206	502,149
27	Stockholder's, Partners', or Proprietor's Equity.....	134,327	131,252
28	Total Liabilities and Equity.....	\$ 687,533	\$ 633,401

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2003 AND 2002

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2003 (c)	2002 (d)
	Revenue:		
1	Casino.....	\$ 93,853	\$ 97,893
2	Rooms.....	10,518	11,065
3	Food and Beverage.....	13,025	12,924
4	Other.....	3,103	2,718
5	Total Revenue.....	120,499	124,600
6	Less: Promotional Allowances.....	22,144	22,614
7	Net Revenue.....	98,355	101,986
	Costs and Expenses:		
8	Cost of Goods and Services..... (Note 5).....	56,982	58,480
9	Selling, General, and Administrative..... (Note 5).....	13,963	15,077
10	Provision for Doubtful Accounts.....	369	605
11	Total Costs and Expenses.....	71,314	74,162
12	Gross Operating Profit.....	27,041	27,824
13	Depreciation and Amortization.....	6,995	6,808
	Charges from Affiliates Other than Interest:		
14	Management Fees..... (Note 5).....	10,150	10,091
15	Other.....	0	0
16	Income (Loss) from Operations.....	9,896	10,925
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates..... (Note 3).....	(13,589)	(13,441)
18	Interest (Expense) - External..... (Note 3).....	1,484	474
19	Investment Alternative Tax and Related Income (Expense) - Net...(Note 4).....	(6)	(317)
20	Nonoperating Income (Expense) - Net.....	(1,012)	(979)
21	Total Other Income (Expenses).....	(13,123)	(14,263)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	(3,227)	(3,338)
23	Provision (Credit) for Income Taxes.....	(3,452)	(1,415)
24	Income (Loss) Before Extraordinary Items.....	225	(1,923)
25	Extraordinary Items (Net of Income Taxes - 2003, \$0 ; 2002, \$0)	0	0
26	Net Income (Loss).....	\$ 225	\$ (1,923)

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADE NAME OF LICENSEE TROPICANA CASINO AND RESORT

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002 AND THE THREE MONTHS ENDED MARCH 31, 2003

(UNAUDITED)
(\$ IN THOUSAND)

Line	Description	Common Stock		Preferred Stock	Additional Paid-In Capital	(h)	Retained Earnings (Accumulated) (Deficit)	Total Stockholder's Equity (Deficit)
		Shares	Amount (d)					
1	Balance, December 31, 2001	100	\$ 1	0	\$ 0	\$ 127,071	0	\$ 133,175
2	Net Income (Loss) - 2002						927	927
3	Contribution to Paid-in-Capital							
4	Dividends							
5	Prior Period Adjustments							
6								
7								
8								
9								
10	Balance, December 31, 2002	100	\$ 1	0	\$ 0	\$ 127,071	0	\$ 134,102
11	Net Income (Loss) - 2003						225	225
12	Contribution to Paid-in-Capital							
13	Dividends							
14	Prior Period Adjustments							
15								
16								
17								
18								
19	Balance, March 31, 2003	100	\$ 1	0	\$ 0	\$ 127,071	0	\$ 134,327

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE TROPICANA CASINO AND RESORT**STATEMENTS OF CASH FLOWS**

FOR THE THREE MONTHS ENDED MARCH 31, 2003 AND 2002

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2003 (c)	2002 (d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	\$ 26,288	\$ 13,056
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	Purchase of Short-Term Investment Securities.....		
3	Proceeds from the Sale of Short-Term Investment Securities.....		
4	Cash Outflows for Property and Equipment.....	(26,753)	(6,517) *
5	Proceeds from Disposal of Property and Equipment.....	35	4
6	Purchase of Casino Reinvestment Obligations.....	(1,174)	(1,239)
7	Purchase of Other Investments and Loans/Advances made.....		
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables.....	909	239
9	Cash Outflows to Acquire Business Entities.....		
10			
11			
12	Net Cash Provided (Used) By Investing Activities.....	(26,983)	(7,513)
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	Cash Proceeds from Issuance of Short-Term Debt.....		
14	Payments to Settle Short-Term Debt.....		
15	Cash Proceeds from Issuance of Long-Term Debt.....		
16	Costs of Issuing Debt.....		
17	Payments to Settle Long-Term Debt.....	(31)	(1,181)
18	Cash Proceeds from Issuing Stock or Capital Contributions.....		
19	Purchases of Treasury Stock.....		
20	Payments of Dividends or Capital Withdrawals.....		
21			
22			
23	Net Cash Provided (Used) By Financing Activities.....	(31)	(1,181)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	(726)	4,362
25	Cash and Cash Equivalents at Beginning of Period.....	21,036	17,334
26	Cash and Cash Equivalents at End of Period.....	20,310	\$ 21,696
	CASH PAID DURING PERIOD FOR:		
27	Interest (Net of Amount Capitalized).....	\$ (1,483)	\$ 12,967
28	Income Taxes.....	\$	\$

* Certain 2002 amounts have been reclassified to conform with 2003 presentation.

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE TROPICANA CASINO AND RESORT**STATEMENTS OF CASH FLOWS**

FOR THE THREE MONTHS ENDED MARCH 31, 2003 AND 2002

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIF (b)	2003 (c)	2002 (d)
	NET CASH FLOWS FROM OPERATING ACTIVITIES:		
29	Net Income (Loss).....	\$ 225	\$ (1,923)
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	6,995	6,726
31	Amortization of Other Assets.....	0	82
32	Amortization of Debt Discount or Premium.....	0	(46)
33	Deferred Income Taxes - Current.....	0	0
34	Deferred Income Taxes - Noncurrent.....	(133)	(1,081)
35	(Gain) Loss on Disposition of Property and Equipment.....	(22)	(1)
36	(Gain) Loss on Casino Reinvestment Obligations.....	2	278
37	(Gain) Loss from Other Investment Activities.....		
	Net (Increase) Decrease in Receivables and Patrons' Checks.....	406	2,938
38			
39	Net (Increase) Decrease in Inventories.....	37	(78)
40	Net (Increase) Decrease in Other Current Assets.....	(2,448)	(706)
41	Net (Increase) Decrease in Other Assets.....	(402)	91
42	Net Increase (Decrease) in Accounts Payable.....	1,489	(4,528)
	Net Increase (Decrease) in Other Current Liabilities Excluding Debt.....	2,045	10,093
43			
	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt.....	18,094	1,211
44			
45	Extraordinary items (net of tax).....		
46			
47	Net Cash Provided (Used) By Operating Activities.....	\$ 26,288	\$ 13,056

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:		
48	Additions to Property and Equipment.....	\$ (26,753)	\$ (6,517)
49	Less: Capital Lease Obligations Incurred.....	0	0
50	Cash Outflows for Property and Equipment.....	\$ (26,753)	\$ (6,517)
	ACQUISITION OF BUSINESS ENTITIES:		
51	Property and Equipment Acquired.....	\$ 0	\$ 0
52	Goodwill Acquired.....	0	0
	Net Assets Acquired Other than Cash, Goodwill, and Property and Equipment.....	0	0
53			
54	Long-Term Debt Assumed.....	0	0
55	Issuance of Stock or Capital Invested.....	0	0
56	Cash Outflows to Acquire Business Entities.....	\$ 0	\$ 0
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:		
57	Total Issuances of Stock or Capital Contributions.....	\$ 0	\$ 0
58	Less: Issuances to Settle Long-Term Debt.....	0	0
59	Consideration in Acquisition of Business Entities.....	0	0
60	Cash Proceeds from Issuing Stock or Capital Contributions.....	\$ 0	\$ 0

* Certain 2002 amounts have been reclassified to conform with 2003 presentation.

Capital Lease Obligations of \$0 and \$0 were incurred for 2003 and 2002, respectively.
Capital lease obligation retirements of \$0 and \$0 were incurred for 2003 and 2002, respectively.

TRADING NAME OF LICENSEE TROPICANA CASINO AND RESORT

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE THREE MONTHS ENDED MARCH 31, 2003

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	78,129	\$ 5,893	0	\$ 0
2	Food	580,441	5,689	1,487	15
3	Beverage	1,923,026	2,351	0	0
4	Travel	0	0	3,288	1,150
5	Bus Program Cash	145,729	2,190	0	0
6	Other Cash Complimentaries	301,491	4,941	0	0
7	Entertainment	0	0	11,067	221
8	Retail & Non-Cash Gifts	0	0	24,654	247
9	Parking	0	0	0	0
10	Other	288,700	1,080	67,422	270
11	Total	3,317,516	\$ 22,144	107,918	\$ 1,903

** There are no complimentary services or items in Line 10 "other" which exceeds 5% of that column's total.

ADAMAR OF NEW JERSEY, INC.
DBA TROPICANA CASINO AND RESORT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2003 AND 2002

NOTE 1. DISCLOSURES NOT PRESENTED AND RECENT ACCOUNTING PRONOUNCEMENTS

Certain footnotes have not been presented in these Notes to Consolidated Financial Statements. These footnotes would be a duplicate of items contained in the Casino Control Commission Annual Report for the year ended December 31, 2002.

The specific footnotes not presented are the Summary of Significant Accounting Policies and Lease Obligations. The footnotes contained in the December 31, 2002 Annual Report should be read in conjunction with these financial statements.

In the first quarter of 2001, the Emerging Issues Task Force ("EITF") reached a consensus on certain issues in EITF 00-22 "Accounting for Points and Certain Other Time-Based or Volume-Based Sales Incentive Offers, and Offers for Free Products or Services to Be Delivered in the Future", which addresses the income statement classification of the value of the points redeemable for cash awarded under point programs. Per the consensus, the cost of these programs should be reported as a contra-revenue, rather than as an expense.

EITF 00-14 "Accounting for Certain Sales Incentives", which is effective January 1, 2002, focuses on the accounting for, and presentation of, discounts, coupons, and rebates. EITF 00-14 requires that cash or equivalent amounts provided or returned to customers as part of a single exchange transaction should not be shown as an expense but should be an offset to the related revenue.

Beginning September 30, 2002, the Casino Control Commission has required these classifications be made and accordingly, we have restated the comparable 2002 periods.

NOTE 2. PROPERTY AND EQUIPMENT

At March 31, 2003 and 2002, the components of Property and Equipment consisted of:

	<u>2003</u>	<u>2002</u>
Land and land improvements	\$ 49,974,000	\$ 51,283,000
Building and improvements	567,260,000	558,545,000
Furniture, fixtures and equipment	134,175,000	125,135,000
Leased personal property	2,254,000	5,138,000
Construction in progress	<u>93,732,000</u>	<u>23,147,000</u>
Total property and equipment-gross	847,395,000	763,248,000
Accumulated depreciation	<u>(242,674,000)</u>	<u>(219,410,000)</u>
Total property and equipment	\$ 604,721,000 =====	\$ 543,838,000 =====

NOTE 3. LONG-TERM DEBT

At March 31, 2003 and 2002, Long-Term Debt consisted of:

Due to Affiliates:	<u>2003</u>	<u>2002</u>
Notes Payable - Aztar Corporation; 12.0% due 2004	<u>\$ 447,000,000</u>	<u>\$ 447,000,000</u>
Long-term debt due to affiliates	447,000,000	447,000,000
Obligations under capital leases	<u>296,000</u>	<u>972,000</u>
Total Affiliates and Other	447,296,000	447,972,000
Less: current portion	<u>(131,000)</u>	<u>(663,000)</u>
Total long-term debt	<u>\$ 447,165,000</u> =====	<u>\$ 447,309,000</u> =====

Substantially all of the Company's property and equipment is pledged as collateral for long-term debt.

NOTE 4. COMMITMENTS AND CONTINGENCIES

Licensing

On November 26, 1982, the Company was granted a plenary gaming license by the New Jersey Casino Control Commission. The license is renewable every four years. The license renewal period is effective through November 30, 2003. Management has received no indication that future renewals will not be granted.

The Company is a party to various claims, legal actions and complaints arising in the ordinary course of business or asserted by way of defense or counter-claim in actions filed by the Company. Management believes that its defenses are substantial in each of these matters, and the Company's legal posture can be successfully defended or satisfactorily settled without material adverse effect on its consolidated financial position.

The New Jersey Casino Control Commission imposes an annual tax of eight percent on gross casino revenue. Pursuant to legislation adopted in 1984, casino licensees are required to invest an additional one and one-quarter percent of gross casino revenue for the purchase of bonds to be issued by the Casino Reinvestment Development Authority ("CRDA") or make other approved investments equal to that amount; in the event the investment requirement is not met, the casino licensee is subject to a tax of two and one-half percent on gross casino revenue. As mandated by the legislation, the interest rate of the CRDA bonds purchased by the licensee will be two-thirds of the average market rate for bonds available for purchase and published by a national bond index at the time of the CRDA bond issuance. The CRDA bonds have various contractual maturities that range from 11 to 44 years. Actual maturities may differ from contractual maturities because of prepayment rights. The Company's reinvestment obligation for 2003 and 2002, respectively, was \$1,174,000 and \$1,239,000 for the purchase

of CRDA bonds. The Company recorded a loss provision for 2003 and 2002 of \$2,000 and \$278,000, respectively. The loss provision is to recognize the effect of the below market interest rate the bonds would have borne had they been issued on March 31, 2003.

In May 1996, the Company completed construction on an expansion project. The expansion consisted primarily of a new 604-room hotel tower, with additional restaurant and support facilities in the existing operation. The Company has executed a credit agreement with the CRDA for approximately \$24,500,000 in funding for this project. The Company receives funds from the CRDA based on expenditures made for the project to the extent the Company has available funds on deposit with the CRDA that qualify for this funding. As of March 31, 2003, the Company received approximately \$24,200,000 in funding from the CRDA under this agreement and had approximately \$300,000 in available deposits with the CRDA that qualify and accordingly reclassified this amount to accounts receivable. The balance of funding will be realized from portions of future CRDA deposits.

In April 2002, the Company commenced construction on a major expansion project. The expansion will consist primarily of a retail, dining and entertainment complex along with a 502-room convention hotel tower. The Company has executed a credit agreement with the CRDA for approximately \$20,100,000 in funding in connection with this expansion project. The Company receives funds from the CRDA based on expenditures made for the project to the extent the Company has available funds on deposit with the CRDA that qualify for this funding. As of March 31, 2003, the Company received approximately \$15,300,000 in funding from the CRDA under this agreement and had approximately \$600,000 in available deposits with the CRDA that qualify and accordingly reclassified this amount to accounts receivable. The balance of funding will be realized from portions of future CRDA deposits.

At March 31, 2003, the Company had commitments of approximately \$130,000,000 for the Atlantic City Tropicana expansion project.

NOTE 5. RELATED PARTIES

Transactions with affiliates consist of expenditures by affiliates on the Company's behalf including purchases of assets, facility rental, and administrative expenses or cash advances to affiliates or other receivables from affiliates. The Company has many significant transactions with Aztar.

Aztar performs various corporate services for the Company. For the period ended March 31, 2003 and 2002, Aztar charged the Company a management fee of \$10,150,000 and \$10,091,000, respectively.

Due to affiliates is reflected in Other Liabilities. The identity of the affiliate and corresponding balances at March 31, 2003 and 2002 are:

	<u>2003</u>	<u>2002</u>
Due to Aztar Corporation	\$ 40,807,000	\$ -
Due to Ramada New Jersey, Inc.	219,000	144,000
Due to Adamar Garage Corporation	13,739,000	9,039,000
Due to Atlantic Deauville, Inc.	<u>200,000</u>	<u>130,000</u>
	\$ 54,965,000	\$ 9,313,000
	=====	=====

Advances to affiliates are reflected in Investments, Advances and Receivables. The identity of the affiliate and corresponding balances at March 31, 2003 and 2002 are:

	<u>2003</u>	<u>2002</u>
Due from Aztar Corporation	\$ -	\$ 629,000
Advances to Tropicana West	<u>1,832,000</u>	<u>1,845,000</u>
	\$ 1,832,000	\$ 2,474,000
	=====	=====

Notes payable to related parties are included in Long-term debt to affiliates (See Note 3). The identity of the affiliate and corresponding balances at March 31, 2003 and 2002 are:

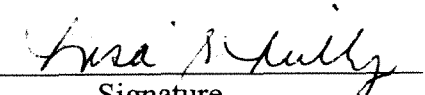
<u>PAYEE</u>	<u>2003</u>	<u>2002</u>
Aztar Corporation	\$ 447,000,000	\$ 447,000,000

For the three months ended March 31, 2003 and 2002 the Company incurred charges from affiliates which are indicated in the accompanying Statements of Income as Cost of Goods and Services and Selling, General, and Administrative. The nature of the charges and dollar amounts are as follows:

	<u>2003</u>	<u>2002</u>
<u>COST OF GOODS AND SERVICES</u>		
Executive deferred compensation plan	\$ 1,000	\$ 1,000
Property insurance	<u>602,000</u>	<u>201,000</u>
	<u>603,000</u>	<u>202,000</u>
<u>SELLING, GENERAL AND ADMINISTRATIVE</u>		
Insurance	122,000	81,000
Executive deferred compensation plan	8,000	9,000
Claims	51,000	63,000
Professional services	<u>1,000</u>	<u>1,000</u>
	<u>182,000</u>	<u>154,000</u>
Total	\$ 785,000	\$ 356,000
	=====	=====

STATEMENT OF CONFORMITY, ACCURACY AND COMPLIANCE

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.


Signature

Controller

005939-11
License Number

On Behalf of:

Tropicana Casino & Resort
Casino Licensee